



Chapter Five

Consumer Markets and Consumer Buyer Behavior

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Consumer Markets and Consumer Buyer Behavior

Topic Outline

- Model of Consumer Behavior
- Characteristics Affecting Consumer Behavior
- Types of Buying Decision Behavior
- The Buyer Decision Process
- The Buyer Decision Process for New Products



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Model of Consumer Behavior

Consumer buyer behavior : The buying behavior of final consumers, individuals and households, who buy goods and services for personal consumption

Consumer market :

- * All the individuals and households that buy or acquire goods and services for personal consumption final consumers.
- * All of the personal consumption of final consumers



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Model of Consumer Behavior



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Model of Consumer Behavior

The Environment:

Marketing stimuli consist of the four Ps: Product, Price, Place, and Promotion. Other stimuli include major forces and events in the buyer's environment: Economic, Technological, Political, and Cultural. All these inputs enter the buyer's black box, where they are turned into a set of buyer responses:

Buyers Black Box:

This shows that marketing and other stimuli enter the consumer's "black box" and produce certain responses. Marketers must figure out what is in the buyer's black box.

Buyers Responses:

The buyer's brand and company relationship behavior and what he or she buys, when, where, and how often

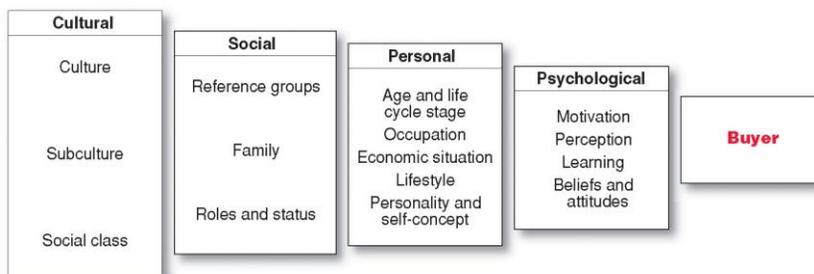


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Characteristics Affecting Consumer Behavior

Factors Influencing Consumer Behavior



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Characteristics Affecting Consumer Behavior

Culture is the learned values, perceptions, wants, and behavior from family and other important institutions



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Characteristics Affecting Consumer Behavior

Subculture are groups of people within a culture with shared value systems based on common life experiences and situations

- Hispanic American
- African American
- Asian American
- Mature consumers



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Characteristics Affecting Consumer Behavior

Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors

- Measured by a combination of occupation, income, education, wealth, and other variables



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Characteristics Affecting Consumer Behavior

Groups and Social Networks

Membership Groups

- Groups with direct influence and to which a person belongs

Aspirational Groups

- Groups an individual wishes to belong to

Reference Groups

- Groups that form a comparison or reference in forming attitudes or behavior



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Characteristics Affecting Consumer Behavior

Groups and Social Networks

Membership Groups: Groups that have a direct influence and to which a person belongs are called membership groups.

Aspirational(Self-Improving): People often are influenced by reference groups to which they do not belong.

Reference groups: serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or behavior.



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Characteristics Affecting Consumer Behavior

Groups and Social Networks

- Word-of-mouth influence and buzz marketing
 - **Opinion leaders** are people within a reference group who exert social influence on others
 - Also called *influentials* or *leading adopters*
 - Marketers identify them to use as brand ambassadors



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Characteristics Affecting Consumer Behavior

Groups and Social Networks



- Online Social Networks are online communities where people socialize or exchange information and opinions
- Include blogs, social networking sites (facebook), virtual worlds (second life)



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Characteristics Affecting Consumer Behavior

Social Factors

- Family is the most important consumer-buying organization in society
- Social roles and status are the groups, family, clubs, and organizations that a person belongs to that can define role and social status



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Characteristics Affecting Consumer Behavior

Personal Factors

Age and life-cycle stage

Occupation affects the goods and services bought by consumers

Economic situation includes trends in:

Personal
income

Savings

Interest
rates



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Characteristics Affecting Consumer Behavior

Personal Factors

Lifestyle is a person's pattern of living as expressed in his or her psychographics

- Measures a consumer's AIOs (activities, interests, opinions) to capture information about a person's pattern of acting and interacting in the environment



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Characteristics Affecting Consumer Behavior

Personal Factors

- Personality and self-concept
- Personality refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment
- **Personality** is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness. Personality can be useful in analyzing consumer behavior for certain product or brand choices.
- **Self-concept** is made up of one's self schemes, and interacts with self-esteem, self-knowledge, and the social self to form the self as whole. It includes the past, present, and future selves



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Characteristics Affecting Consumer Behavior



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Characteristics Affecting Consumer Behavior

Psychological Factors



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Characteristics Affecting Consumer Behavior

Psychological Factors Motivation

A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction

Motivation research refers to qualitative research designed to probe (investigation) consumers' hidden, subconscious motivations



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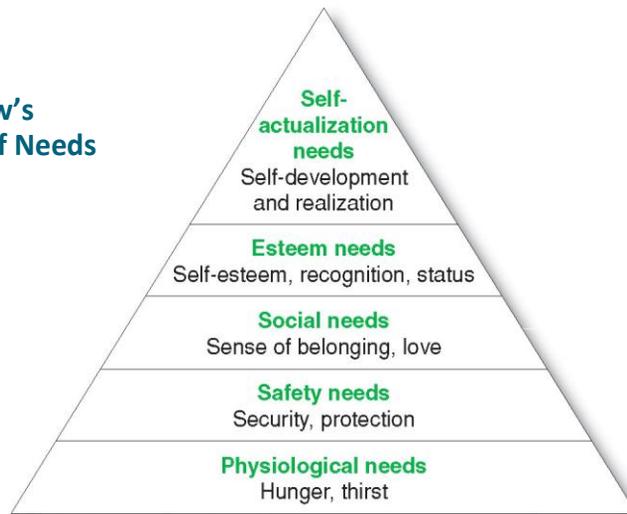
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Characteristics Affecting Consumer Behavior

Maslow's Hierarchy of Needs



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Characteristics Affecting Consumer Behavior

Psychological Factors

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world from three perceptual processes

- Selective attention
- Selective distortion
- Selective retention



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Characteristics Affecting Consumer Behavior

Psychological Factors

Selective attention is the tendency for people to screen out most of the information to which they are exposed

Selective distortion(misrepresentation) is the tendency for people to interpret information in a way that will support what they already believe

Selective retention(holding) is the tendency to remember good points made about a brand they favor and forget good points about competing brands



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Characteristics Affecting Consumer Behavior

Psychological Factors

- **Learning** is the change in an individual's behavior arising from experience and occurs through interplay of:

Drives(energies)

Stimuli(incentives)

Cues(signals)

Responses(Replies)

Reinforcement(Support)



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Characteristics Affecting Consumer Behavior

Psychological Factors Beliefs and Attitudes

Belief(confidence or trust) is a descriptive thought that a person has about something based on:

- Knowledge
- Opinion
- Faith(trust)



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Characteristics Affecting Consumer Behavior

Psychological Factors

Attitudes

describe a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea



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Types of Buying Decision Behavior

Complex buying behavior

Dissonance(lack of agreement) reducing buying behavior

Habitual(usual) buying behavior

Variety-seeking buying behavior



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Types of Buying Decision Behavior

Four Types of Buying Behavior

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior



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The Buyer Decision Process

Buyer Decision Making Process



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The Buyer Decision Process

Need Recognition

- Occurs when the buyer recognizes a problem or need triggered by:
 - Internal stimuli
 - External stimuli



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The Buyer Decision Process

Information Search Sources of Information

- Personal sources—family and friends
- Commercial sources—advertising, Internet
- Public sources—mass media, consumer organizations
- Experiential sources—handling, examining, using the product



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The Buyer Decision Process

Evaluation of Alternatives

- How the consumer processes information to arrive at brand choices



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The Buyer Decision Process

Purchase Decision

- The act by the consumer to buy the most preferred brand
- The purchase decision can be affected by:
 - Attitudes of others
 - Unexpected situational factors



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The Buyer Decision Process

Post-Purchase Decision

- The satisfaction or dissatisfaction that the consumer feels about the purchase
- Relationship between:
 - Consumer's expectations
 - Product's perceived (supposition of) performance
- The larger the gap between expectation and performance, the greater the consumer's dissatisfaction
- Cognitive (reasoning) dissonance is the discomfort caused by a post-purchase conflict



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The Buyer Decision Process

Post-Purchase Decision

Customer satisfaction is a key to building profitable relationships with consumers—to keeping and growing consumers and reaping (gaining) their customer lifetime value



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The Buyer Decision Process for New Products

Adoption process is the mental process an individual goes through from first learning about an innovation to final regular use.

- Stages in the process include:



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What is Organizational Buying?

The business market versus the consumer market

Organizational buying: the decision- making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers.



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Characteristics of the business market

- Fewer buyers
- Larger buyers
- Close supplier-customer relationship
- Geographically concentrated buyers
- Derived (to take or give something) demand
- Inelastic (inflexible) demand
- Fluctuating (changing) demand
- Professional (expert) purchasing
- Several buying influences (effects)
- Directed (focused) purchasing
- Reciprocity (exchange)
- Leasing (installments)



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